

CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement (the “Agreement”), dated as of _____, 2020 (the “Effective Date”), is by and between **S&C PROPERTY MANAGEMENT, LLC**, a North Carolina limited liability company (hereinafter, “**S&C**”), and _____ (the “**Recipient**”).

STATEMENT OF PURPOSE:

S&C and Recipient are discussing and studying a possible transaction between S&C and Recipient as follows: the potential sale of certain condominium units located at 5530 Munford Road, Units 101, 103 and 119, Raleigh, NC 27612 and more particularly described on Exhibit A attached hereto and shown on Exhibit B attached hereto (the “Property”) and the assumption by Recipient of all leases and obligations of S&C relative to the Property.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Definitions.** For the purposes of this Agreement, the term “S&C” will include any person or entity that directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with S&C, including, without limitation any of S&C’s Representatives. For the purposes of this Agreement, the term “Recipient” will include any person or entity that directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with Recipient, and any of Recipient Representatives. For the purposes of this Agreement, the term “Representative” will include any officer, director, shareholder, attorney, accountant, financial advisor or other agent or representative of S&C and Recipient respectively.

2. **Confidential Information.** The term “Confidential Information” as used herein will mean all confidential and proprietary information, including, without limitation, tenant information, sales, operating expenses, business plans, financial information, loan documents, reports, surveys, title information, studies, test results, software and other information (whether or not patentable and whether or not marked as confidential) and creative concepts and strategies owned, possessed or used by S&C.

3. **Nondisclosure.**

(a) Recipient will not use the Confidential Information of S&C except for the purpose of deciding whether to enter the transaction described above and to otherwise facilitate such transaction if both parties agree to enter into the transaction. Recipient will not disclose Confidential Information of S&C to any person (except on a confidential basis to its Representatives who need to know and who are bound in writing to preserve the confidentiality thereof) or use the Confidential Information of S&C for any purpose other than for the purposes stated above. Recipient will employ reasonable steps to preserve the confidentiality of the Confidential Information of S&C and will, in any event, employ the same practices used to protect its own Confidential Information to protect S&C’s Confidential Information. Recipient will be responsible for any breach of this Agreement due to any act or omission by its Representative(s). Upon request at any time, m:\users\beth\clients\s&c property management llc\confidentiality agreement - form (v2).docx will promptly return any Confidential Information of S&C which was furnished directly by S&C (including any and all copies of any such Confidential Information) in its possession to S&C.

(b) Recipient agrees that the obligations imposed hereunder will apply to all Confidential Information, except where such Confidential Information: (i) is or becomes public knowledge or publicly available to Recipient through no fault of Recipient; (ii) is learned by Recipient from a third party entitled to disclose it; (iii) was already known to Recipient as shown by prior written records disclosed S&C by Recipient; (iv) is shown by Recipient to have been independently developed by Recipient as evidenced by written records; or (v) is or becomes publicly available to Recipient.

(c) Notwithstanding any other term of this Agreement, Recipient may disclose the Confidential Information of S&C as required by court order or other lawful process. In all such cases, Recipient will disclose Confidential Information only to the extent required to fulfill such purpose or legal requirement. In the event Recipient or any other person bound hereby becomes legally compelled to disclose any Confidential Information, such party will promptly notify S&C of such fact so that S&C may seek an appropriate remedy to prevent such production, and request the person demanding such production to allow S&C a reasonable period of time to seek such remedy.

(d) Without the prior written consent of S&C, Recipient will not disclose to any person (other than Recipient's Representatives): (1) the fact that discussions or negotiations are occurring or occurred concerning a possible transaction between S&C and Recipient or (2) the fact that S&C disclosed Confidential Information to Recipient.

4. **Third-Party Misappropriation.** Recipient will immediately report to S&C any attempt by any person of which Recipient has knowledge (a) to use or disclose Confidential Information of S&C without authorization from S&C or (b) to copy, duplicate, disassemble, record, or otherwise reproduce any part of the Confidential Information of S&C.

5. **Accuracy of Information.** Recipient understands that while S&C believes that the Confidential Information provided by S&C to Recipient is accurate, S&C expressly disclaims any and all liability for express or implied representations or warranties contained in, or for omissions from, the Confidential Information or any other written or oral communication transmitted or made available by S&C. Accordingly, it is intended by S&C that only those particular representations and warranties which may be subsequently contained in a definitive, binding agreement of S&C and Recipient to enter into a transaction, when, as, and if it is executed, and subject to such limitations and restrictions as may be specified in any such agreement, shall have any legal and binding effect, except for the covenants of confidentiality contained herein.

6. **Injunctive Relief.** Recipient acknowledges that any violation by Recipient of this Agreement would result in damage to S&C that is largely intangible but nonetheless real, and that is incapable of complete remedy by an award of damages. Accordingly, any such violation will give S&C the right to a court-ordered injunction or other appropriate order to specifically enforce those covenants.

7. **Termination.** This Agreement will be effective on and as of the date first set forth above and will (unless extended by mutual agreement in writing) terminate upon the earlier of (a) the closing of the transaction referenced herein, or (b) one (1) year from the date of this Agreement.

8. **Effect.** Neither the execution and delivery of this Agreement nor the furnishing of Confidential Information will obligate S&C to enter into any further agreement or negotiation with Recipient or to refrain from entering into an agreement or negotiation with any third party.

9. **Miscellaneous.** This Agreement expresses the entire agreement between the parties hereto regarding the disclosure and use of Confidential Information of S&C and supersedes any prior written or oral understanding or agreements. This Agreement may not be modified, amended, supplemented or waived except by a writing duly signed by the authorized officers of the parties hereto, and such writing must refer specifically to this Agreement. None of the rights, interests, or obligations created by this Agreement may be assigned, transferred, or delegated in whole or in part except upon the prior express written consent of the nonassigning party. This Agreement may be executed in one or more counterparts (including facsimile or electronic [.PDF] counterparts), each of which will be deemed an original, but all of which together will constitute one and the same instrument, and this Agreement will be of no force and effect until it has been executed by all parties hereto. This Agreement will be construed and interpreted in accordance with the internal laws and judicial decisions of the State of North Carolina without giving effect to the choice of law or conflict of laws principles thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in their names by their duly authorized officers as of the date first above written.

S&C:

S&C PROPERTY MANAGEMENT, LLC,
a North Carolina limited liability company

By: _____
George Corvin, Manager

Recipient:

Name: _____

Company: _____

Signature: _____

Email: _____

EXHIBIT A

Legal Description of Property

BEING UNITS 101, 103 & 119 in Building 1, Professional Park at Pleasant Valley as shown on the plats and plans of Professional Park at Pleasant Valley recorded in Condominium Plat Book 2002, Page 297-A7, Wake County Registry.

EXHIBIT B

Condo Plan

